

May 27, 2004

Office

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-34590

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Prarie Fire State

8. Well Number 1

9. OGRID Number

224400

10. Pool name or Wildcat

Osudo Morrow West (Gas)

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

Edge Petroleum Operating Company

3. Address of Operator

1301 Travis, Suite 2000 Houston, TX 77002

4. Well Location

Unit Letter 7G: 1980 feet from the North line and 1650 feet from the East line

Section 2 Township 21S Range 34E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3714' GL

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil _____ Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/CEMENT JOB ☐OTHER: completion ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Middle Morrow 3 Completion:

3-15-08 Flow back cont. Turn to sales at 17:30 hrs after CO2 fell below 3% & H2O below 7 lb/MM

3-16-08 Cont. gas sales. On 31/64 choke

3-17-08 Cont. gas sales. FCP= 1275 psi, LP= 670 psi. Swap gas flow route from flowback to B-section wing valve. ND flowback flange, NU DSA single pipe ram BOP & snubbing unit. Function test pipe ram BOP. SDFN & cont. gas to sales.

3-18-08 Cont. gas to sales. NU BHA: opticut butterfly mill, 2 7/8" nav motor, double flapper check valve, X/O, one jt. tbg, XN nipple. Equalize well, RIH w/ 87 stds., RIH w/ 264 stds. to 11012', S/D to insert mud cross, install tbg. hanger w/ BPV in B-section & lock in same. Secure well- bleed off stack, close in rams 2 & 4 & safety rams, and lock same. Cont. gas to sales. SDFN

3-19-08 Cont. gas sales. Open all rams, back off landing jt. from tbg. hanger, PU same, close frac valve, remove spacer spool, replace w/ mud cross, open frac valve, screw into tbg. hanger w/ landing jt, unlock hanger, remove hanger, remove BPV from hanger. SI gas flow, change gas flow route from B-section to mud cross, open well. Cont. RIH while RU pumps. Tag liner @ 12,040' w/ 15' in on stand 193, RU tbg. swivel & TIW valve. Load tbg. w/ 15 bbls allow same to fall to motor to spin mill off liner top. Cont. in hole, hang up on tight spot @ 13,415', pull out w/ 15K over, press. test liquid & CO2 lines to 5000 psi. Swap gas to blowdown tank to begin taking milling returns, pump .7 bpm 7% KCL & 900 SCFM N2. Liquid returns to surf. after 2 hrs. Cont. in hole, hang up on 2nd tight spot @ 13,451', pull out with 15K over, attempt to work thru section, popped thru once, picked up again to ream out, could not get past spot again. Unhook pumps, bleed off tbg., pull out 26 stands to 200' above liner top, screw in TIW valve on tbg. & close same. Secure well- bleed off stack, close in rams 2 & 4, lock same. SDFNI hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.SIGNATURE Angela Lightner TITLE Consultant DATE 3-20-2008Type or print name Angela LightnerE-mail address: angela@rkford.com Telephone No. 432-682-0440

For State Use Only

APPROVED BY: Chris Williams OC DISTRICT SUPERVISOR/GENERAL MANAGER TITLE DATE APR 04 2008

Conditions of Approval (if any):